

FISCAL NOTE

SB 2741 - HB 2891

March 10, 2004

SUMMARY OF BILL: Provides a franchise and excise tax credit for telecommunications service providers or cable operators that make an investment in equipment used in the deployment of broadband technologies after June 30, 2004 and before July 1, 2014. The amount of the credit would vary between 5% and 15% of the cost of equipment depending on the population density in the county in which the investment is made. The maximum amount of the credit is 50% of the taxpayer's franchise and excise tax liability. Any amount that is not used may be carried forward for up to 15 years.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - Exceeds \$500,000

Increase State Expenditures - \$102,400

Estimate assumes:

- One-time increases in state expenditures are due to software, systems and forms changes required by the Department of Revenue to comply with the provisions of this bill.
- \$20,000,000 of franchise and excise tax liability incurred by telecommunications companies in 2002.
- An average credit rate of 10%.
- The majority of firms will receive a credit equal to 50% of their franchise and excise tax liability.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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